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FM AMEMBASSY LIBREVILLE
TO RUEHC/SECSTATE WASHDC 9715
INFO RUEHUJA/AMEMBASSY ABUJA 0400
RUEHMA/AMEMBASSY MALABO
RUEHBZ/AMEMBASSY BRAZZAVILLE 0853
RUEHKI/AMEMBASSY KINSHASA 1388
RUEHLO/AMEMBASSY LONDON 0351
RUEHLU/AMEMBASSY LUANDA 0964
RUEHNJ/AMEMBASSY NDJAMENA 0435
RUEHFR/AMEMBASSY PARIS 0892
RUEHYD/AMEMBASSY YAOUNDE 0809
RUEHOS/AMCONSUL LAGOS 0660
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RHMFIUU/COMUSNAVEUR NAPLES IT

UNCLAS LIBREVILLE 000229

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SUBJECT: GABON ECONOMIC MISCELLANY

11. LIBYAN INVESTMENT. There has recently been a flurry of Libyan investment in Gabon. Libreville's Intercontinental Hotel (the largest hotel in town) has been purchased by a Libyan company for 20 million dollars. Other purchases include the Dialogue Hotel (a vacant hotel on prime beachfront property which is to be torn down for apartments/shops), Africa No. 1 (a radio station which broadcasts to francophone Africa) and the Mobil Oil distribution network (bought by Tamoil).

12. NEW OIL FIND. Perenco Oil on May 12 announced that drilling has resulted in a new find at 1870 meters in waters off Ogooue-Maritime. There is as yet no estimate regarding the extent of the find. Perenco (a partner with Amerada Hess) is currently producing 48,000 barrels per day from other wells.

13. BREAD PRICES REMAIN FIXED. Gabon's Office for Consumption and Control has refused a request by bakers to raise the fixed price for a loaf of bread by 20%. A baguette still costs approximately 25 US cents -- there has been no price change since 1989.

14. ELECTRICITY INVESTMENT. SEEG, the Gabonese water and electricity utility, reports that it invested \$62 million in 2006 and plans \$80 million in new investments for 2007. When Libreville experienced rolling blackouts last February (something previously unknown in Gabon), critics accused SEEG of failing to invest in new capacity to meet the rising demand for electricity.

WALKLEY